



Purchase of Annuity Preliminary Follow-up Report

LEOFF Plan 2 Retirement Board

April 28, 2010

Issue

- Members who have assets in excess of the purchase cost for the maximum five years of service credit currently allowed in statute may need another avenue to invest those assets.

Key Elements

- Defined contribution assets can be used to purchase increased defined benefits
 - Service credit purchases are limited
 - Annuities from trust funds

History

- First reviewed in 2004 Interim
- Final proposal in 2006 Interim
- Included in 2007 Interim issues letter to SCPP
- Reached final proposal stage in 2008
- Included in 2009 Interim issues letter to SCPP

Policy Options

- Introduce legislation permitting LEOFF Plan 2 retirees to purchase actuarially equivalent life annuity from the LEOFF Plan 2 retirement fund
- Coordinate with Select Committee on Pension Policy

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QUESTIONS?